GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2080
ANSWERED ON:01.12.2000
SICKNESS IN INDIAN INDUSTRY
SUBODH MOHITE;T.T.V. DHINAKARAN;Y.S. VIVEKANANDA REDDY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have shortlisted the problems being faced by Indian Industry

(b) if so, the details thereof;

(c) whether the Government have also taken any steps to identify the causes behind the growing incidence of sickness in Indian Industry including public sectors;

(d) if so, the details thereof;

(e) whether managerial deficiency, accounts for 43 percent of the total cases of industrial sickness;

(f) if so, the measures contemplated/being contemplated by the Government to remove the bottlenecks in the field of industrial growth;
(g) whether the Government have outlined different areas which required attention for industrial and economic growth; and
(h) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a)&(b): Problems being faced by Indian industry include infrastructural constraints, high cost of finance and investment, high cost of power, freights, port charges and congestion of ports, antidumping action against Indian exports, non-tariff barriers imposed by developed countries etc.

(c) & (d) Data on sick industrial units, assisted by banks in the country, is compiled by the Reserve Bank of India(RBI). According to RBI report, a number of causes, both internal and external, often operating in combination, have been responsible for industrial sickness. The main causes include deficiencies in planning, management, marketing etc.

(e) &(f) Yes, sir. The Governmet has taken a number of steps for revival of sick industrial units which, inter-alia, include guidelines of Reserve Bank of India to banks, amalgamation of sick units with healthy units, setting up of Board for Industrial and Financial Reconstruction (BIFR) under the Slck Industrial Companies (Special Provisions) Act 1985, etc.

(g) & (h): The Government provides a policy regime which facilitates and fosters growth and development of industry. These include:-

- Growth Centre Scheme for Infrastructure Development
- Transport Subsidy Scheme
- New Industrial Policy Package for the North Eastern Region.